

October 7, 1992

- (b) for purposes of paragraph 2,
 - (i) a producer may not designate as an intermediate material any assembly, including a component identified in Annex 403.2, containing one or more of the materials listed in Annex 403.2, and
 - (ii) a producer of a material listed in Annex 403.2 may designate a self-produced material used in the production of that material as an intermediate material, in accordance with the provisions of Article 402(10).

23. **Article 405(6) (Rules of Origin - De Minimis):** for purposes of applying paragraph 6, the determination of the component that determines the tariff classification of the good shall be based on GRI 3(b) of the Harmonized System. If the component cannot be determined on the basis of GRI 3(b), then the determination will be based on GRI 3(c) or, if GRI 3(c) is inapplicable, GRI 4. When the component that determines the tariff classification is a blend of two or more yarns or fibers, all yarns and, where applicable, fibers, in that component are to be taken into account.

24. **Article 413 (Rules of Origin - Interpretation and Application):** the 1992 Harmonized System is the basis for the rules of origin of this Agreement, amended by the new tariff subheading and tariff items created for rules of origin purposes.

25. **Article 415 (Rules of Origin - Definitions):** in the definition of "transaction value", the purpose of the phrase "except for the application of Article 403(2)(a)" is to ensure that the definition of transaction value includes the transaction value of a supplier selling a material listed in Annex 403.2 to another supplier who subsequently sells a component list in Annex 403.2 to the producer.

26. **Article 514 (Customs Procedures - Definitions):** the Uniform Regulations will clarify that "determination of origin" includes a denial of preferential tariff treatment under Article 506(4), and that such denial is subject to review and appeal.

27. **Article 603, paragraphs 1 through 5 (Energy)** shall be interpreted consistently with Article 309.

28. **Annex 703.2 (Market Access - Section A - Mexico and the United States):** this quota replaces Mexico's current access under the "first tier" of the U.S. tariff rate quota as described in Additional Note 3(b)(i) of Chapter 17 of the Harmonized Tariff Schedule of the United States prior to the date of entry into force of this Agreement.